



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8

1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region08

MAY 06 2016

Ref: 8ENF-AT

CERTIFIED MAIL: 7009 3410 0000 2596 5425
RETURN RECEIPT REQUESTED

Mr. Kevin P. Kauffman
Registered Agent for K.P. Kauffman Company, Inc.
1675 Broadway Street, Suite 2800
Denver, Colorado 80202

Re: Supplemental Section 114(a) Request for Information Pursuant of the Clean Air Act,
42 U.S.C. § 7414(a) to K.P. Kauffman Company, Inc.

Dear Mr. Kauffman:

The United States Environmental Protection Agency hereby requires K.P. Kauffman Company, Inc. (KPK) to provide certain information to determine the Clean Air Act (CAA) compliance status of its oil and natural gas production facilities located in Colorado.

Pursuant to section 114(a) of the CAA, 42 U.S.C. § 7414(a), the Administrator of the EPA is authorized to require any person who owns or operates an emissions source to establish and maintain records, make reports, sample emissions (in accordance with the procedures and methods that the Administrator shall prescribe) and provide such other information as she may reasonably require for the purposes of determining whether such person is in violation of any provision of the CAA. This authority has been delegated to the undersigned official.

On August 18, 2015, the EPA issued KPK a request for information pursuant to section 114 of the CAA, 42 U.S.C. § 7414. This request is also pursuant to section 114 of the CAA, 42 U.S.C. § 7414. The EPA received KPK's response to the initial request on December 30, 2015. After reviewing KPK's responses, the EPA has six additional requests.

For the EPA to determine KPK's compliance, you are hereby required, pursuant to section 114(a) of the CAA, to provide responses **to Requests 1-6 of Enclosure 2**. Within **thirty (30) calendar days** from receipt of this request, you must respond to Requests 1-6. You are required to **attach a properly executed Statement of Certification (Enclosure 3)** to your response to this request. The statement **must be signed and dated**. You are under an obligation to preserve all documents requested in this letter until you receive further instructions from the EPA.

Failure to provide the required information is a violation of the Act and may result in one or more of the following actions: 1) issuance of an administrative penalty order pursuant to section 113(d) of the Act, 42 U.S.C. § 7413(d); 2) issuance of an order requiring compliance with this request; 3) the initiation of a civil action pursuant to section 113(b) of the Act, 42 U.S.C. § 7413(b); and/or 4) any other authorized action.

In addition, knowingly providing false information in response to this information request may be actionable under section 113(c) of the Act, 42 U.S.C. § 7413(c), and 18 U.S.C. §§ 1001 and 1341. The information you provide may be used by the EPA in administrative, civil, and criminal proceedings.

Under section 114(c) of the Act, 42 U.S.C. § 7414(c), and pursuant to regulations at 40 C.F.R. Part 2, including 40 C.F.R. § 2.301, you are entitled to claim as confidential any information you provide to the EPA which involves trade secrets and is regarded as confidential business information by you. For such information, you may request that the EPA treat such information as confidential. Any such claim for confidentiality must conform to the requirements of 40 C.F.R. § 2.203(b). Note that emission data cannot be claimed as confidential under section 114(c). For detailed instructions, please see Enclosure 4 to this letter. Information you supply will be treated as confidential business information to the degree determined to be appropriate according to the regulations. If you fail to furnish a business confidentiality claim with your response to this information request, the EPA will construe your failure as a waiver of that claim, and the information may be made available to the public without further notice to you.

YOU MUST SUBMIT ALL RESPONSIVE INFORMATION: *Whether or not you make a claim of confidentiality.*

Please submit your response to this request to:

U.S. Environmental Protection Agency Region 8
Air and Toxics Enforcement (ENF-AT)
1595 Wynkoop Street
Denver, Colorado 80202-1129
Attn: Scott Patefield

Should you have any questions of a technical nature, please contact Scott Patefield at 1-800-227-8919, extension 6248. Any questions from your attorney should be directed to Lauren Hammond, Enforcement Attorney, at 1-800-227-8917, extension 7081. Thank you very much for your cooperation.

Sincerely,



Suzanne J. Bohan
Assistant Regional Administrator
Office of Enforcement, Compliance and
Environmental Justice

Enclosures:

- (1) Instructions;
- (2) Information Request;
- (3) Statement of Certification; and
- (4) Confidential Business Information Requirements

cc: Susana Lara-Mesa, Vice President of Engineering, K.P. Kauffman Company, Inc.
Kelsey Wasylenky, Corporate Counsel, K.P. Kauffman Company, Inc.
Randy Dann, Attorney, Davis Graham and Stubbs LLP
Chelsea Grossi, Attorney, Davis Graham and Stubbs LLP

cc addresses:

Susana Lara Mesa
Vice President of Engineering
K.P. Kauffman Company, Inc.
World Trade Center
1675 Broadway, Suite 2800
Denver, Colorado 80202-4628

Kelsey Wasylenky
Jost Energy Law, P.C.
1401 17th Street, Suite 370
Denver, CO 80202

Randy Dann
Davis Graham & Stubbs LLP
1550 17th Street, Suite 500
Denver, Colorado 80202

Chelsea Grossi
Davis Graham & Stubbs LLP
1550 17th Street, Suite 500
Denver, Colorado 80202

ENCLOSURE 1: **INSTRUCTIONS**

Please answer each numbered request separately, numbering your response to correspond with each numbered request.

Please refer to the Clean Air Act section 114 request for information issued to K.P. Kauffman on August 18, 2015, for additional instructions and definitions.

Please provide all information in your possession that is responsive to each request and each part of each request. If you cannot answer any request, please explain why.

If you do not now know or have available any of the requested information but learn about such information within a year of receiving this request, you must supplement your response to EPA. If, after submitting your response, you learn that any portion of your response is false or misrepresents the truth, you must notify EPA as soon as possible of the exact manner in which the information is false or misleading.

If any information or document that responds to this request is not in your possession, custody, or control, please identify each person from whom such information or documents may be obtained and where such information or documents are located.

If you have reason to believe that any other person may be able to provide additional details or documents or a more complete response to this request, please provide the name, address, and, if you know it, the telephone number of each such person and a description of the additional information or documents you believe this person may have.

In these instructions and the following request:

- “you, KPK, or Company” refers to K.P. Kauffman Company, Inc. and all its agents, servants, employees, representatives, investigators, accountants, contractors, consultants, attorneys, experts, and others who are in possession, custody, or control (actual or constructive) of relevant information that is otherwise available to you or may have obtained information for or on behalf of, KPK;
- “the 2015 Request for Information” refers to the EPA’s Request for Information issued to KPK, dated August 18, 2015; and
- “person” or its plural or any synonym thereof, is intended to and shall embrace and include any individual, partnership, corporation, company, association, government agency (whether federal, state, or local) or any other entity.

ENCLOSURE 2:
INFORMATION REQUESTED

Please provide the following information:

- (1) In the 2015 request for information letter issued to K.P. Kauffman on August 18, 2015, Enclosure 5 of the request provided a list of 10 K.P. Kauffman tank batteries. For each of those 10 tank batteries and their associated wells, which KPK listed in its response provided in Enclosure 5, please state whether the casing head gas from each of the wells associated with the 10 tank batteries is measured. For each location that it is measured, state the volume of gas that was routed to the sales gas line on a daily basis for the month of July 2014. Additionally, provide the pressure in pounds per square inch (psi) each time a volume of gas entered the sales line on a daily basis during the month of July 2014. If any of the casing head gas was not routed to the sales gas line, provide an answer regarding:
 - a. Where the casing head gas was routed to when bypassing the sales gas line;
 - b. The daily volume and pressure of casing head gas that did not enter the sales gas line on a daily basis for the month of July 2014 for each alternative route; and
 - c. The timing of when the casing head gas bypassed the sales line, for example, whether it bypassed prior to a well cycle or during a well cycle.
- (2) For each of those 10 tank batteries and associated wells described in response to Request 1, above, explain how a determination is made as to whether the casing head gas will be sent to the sales gas line or if the casing head gas will be sent to the separator, tank, or control device. Provide a diagram that details where and how the casing head gas is routed to each possible location.
- (3) For each of those 10 tank batteries and associated wells described in response to Request 1, above, explain where the produced gas from the separator (separator gas) is routed to. If any of the separator gas was not routed to the sales gas line on a daily basis in July 2014, provide the following:
 - a. Where the separator gas is routed to when bypassing the sales gas line;
 - b. The daily volume and pressure of the separator gas that did not enter the sales gas line on a daily basis for the month of July 2014 for each alternative route; and
 - c. The timing of when the separator gas bypassed the sales line for example, whether it bypassed prior to a well cycle or during a well cycle.
- (4) For each of those 10 tank batteries and associated wells described in response to Request 1, above, provide how a determination is made as to whether the separator gas will be sent to the sales gas line or if the separator gas will be sent to the separator, tank, or control device. Provide a diagram that details where and how the separator gas is routed to each possible location.

- (5) If any of the tank batteries identified in response to Request 1, above, have a timer on the well to determine when it should cycle, describe the timer, identify the manufacturer of the timer, and provide the make and model number (if applicable) of the timer. Additionally, for each timer, please provide whether the timer needs to be manually operated for both the beginning and completion of a well cycle; if the timer is automated; or if the timer needs to be manually operated to begin the cycle but automatically completes it.
- (6) For each of the tank batteries and associated wells identified in response to Request 1, above, describe what if any steps you have taken, and when the steps were taken, to assure that only one separator dumps liquid into the tanks at any given time. If multiple separators may dump simultaneously, provide the following for each tank battery:
 - a. The timing of each separator that dumped into the tanks on a daily basis for the month of July 2014 and all supporting documentation demonstrating the timing of the dumping events for each separator.

ENCLOSURE 3:

**K.P. Kauffman Company, Inc.
Request for Information Pursuant to Section 114 of the Clean Air Act
Statement of Certification**

I certify under penalty of law that the foregoing responses and attachments to the EPA's Request for Information Pursuant to the Clean Air Act (Request) were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. The response and attachments contain all documents and information responsive to the Request that are known to me following a complete and thorough review of all information and sources available to me. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations pursuant to section 7413(c)(2) of the Clean Air Act, and 18 U.S.C. §§ 1001 and 1341.

Signature

Date

Printed Name

Official Title

ENCLOSURE 4

Confidential Business Information (CBI) Assertion and Substantiation Requirements

You may assert a business confidentiality claim covering all or part of the information you provide in response to this information request for any business information entitled to confidential treatment under section 114(c) of the Clean Air Act (the Act), 42 U.S.C. § 7414(c), and 40 C.F.R. Part 2, subpart B. Under section 114(c) of the Act, you are entitled to confidential treatment of information that would divulge methods or processes entitled to protection as trade secrets. Under 40 C.F.R. Part 2, subpart B, business confidentiality means “the concept of trade secrecy and other related legal concepts which give (or may give) a business the right to preserve the confidentiality of business information and to limit its use or disclosure by others in order that the business may obtain or retain business advantages it derives from its rights in the information.” 40 C.F.R. § 2.201(e).

Information covered by a claim of business confidentiality will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in section 114(c) of the Act and 40 C.F.R. Part 2, subpart B. If you fail to furnish a business confidentiality claim with your response to this information request, the EPA will construe your failure as a waiver of that claim, and the information may be made available to the public without further notice to you.

To assert a business confidentiality claim, you must place on (or attach to) all information you desire to assert as business confidential either a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as “trade secret,” “proprietary,” or “company confidential” at the time you submit your response to this information request. Allegedly confidential portions of otherwise non-confidential documents should be clearly identified, and may be submitted separately to facilitate identification and handling by the EPA. You should indicate if you desire confidential treatment only until a certain date or until the occurrence of a certain event.

The criteria the EPA will use in determining whether material you claim as business confidential is entitled to confidential treatment are set forth at 40 C.F.R. §§ 2.208 and 2.301. These regulations provide, among other things, that you must satisfactorily show that: (1) the information is within the scope of business confidentiality as defined at 40 C.F.R. § 2.201(e); (2) that you have taken reasonable measures to protect the confidentiality of the information and that you intend to continue to do so; (3) the information is not and has not been reasonably obtainable by legitimate means without your consent; and (4) the disclosure of the information is likely to cause substantial harm to your business’s competitive position. See 40 C.F.R. § 2.208 (a)-(d). Emission data, as defined at 40 C.F.R. § 2.301(a)(2), is expressly not entitled to confidential treatment under 40 C.F.R. Part 2, subpart B. See 42 U.S.C. § 7414(c); 40 C.F.R. § 2.301(e).

If you assert a claim of business confidentiality in connection with information and documents forwarded in response to this request for information, in accordance with 40 C.F.R. § 2.204(e)(4), the EPA is requesting that you answer the following questions with respect to any information or document for which you assert a claim of business confidentiality:

1. What specific portions of the information are alleged to be entitled to confidential treatment? Specify by page, paragraph and sentence when identifying the information subject to your claim.
2. For what period of time do you request that the information be maintained as confidential, e.g., until a certain date, until the occurrence of a specified event, or permanently? If the occurrence of a specific event will eliminate the need for confidentiality, specify that event. Additionally, explain why the information should be protected for the time period you have specified.
3. What measures have you taken to protect the information claimed as confidential from undesired disclosure? Have you disclosed the information to anyone other than a governmental body or someone who is bound by an agreement not to disclose the information further? If so, why should the information still be considered confidential?
4. Is the information contained in any publicly available material such as the Internet, publicly available databases, promotional publications, annual reports or articles? Is there any means by which a member of the public could obtain access to the information? Is the information of a kind that you would customarily not release to the public?
5. Has any governmental body made a determination as to the confidentiality of the information? If so, please attach a copy of the determination.
6. For each category of information claimed as confidential, explain with specificity whether disclosure of the information is likely to result in substantial harm to your competitive position. Explain the specific nature of those harmful effects, why they should be viewed as substantial and the causal relationship between disclosure and such harmful effects. How could your competitors make use of this information to your detriment?
7. Is there any other explanation you deem relevant to the EPA's determination of your business confidentiality claim that is not covered in the preceding questions? If so, you may provide such additional explanation.

Submit your answers to the above questions concurrently with your response to this information request if you have claimed any information as business confidential. See 40 C.F.R. § 2.204(e)(2). Pursuant to 40 C.F.R. § 2.205(b)(2), you may request an extension of this deadline. The EPA will construe your failure to furnish timely comments as a waiver of your confidentiality claim, consistent with 40 C.F.R. § 2.204(e)(1). Please submit your comments to:

Lauren Hammond
U.S. EPA Region 8
1595 Wynkoop Street (ENF-L)
Denver, CO 80202-1129
(303) 312-7081

Pursuant to 40 C.F.R. § 2.205(c), you are hereby advised that information you submit as part of your answers or comments may be regarded by the EPA as entitled to confidential treatment if, when it is received by the EPA, it is marked in accordance with 40 C.F.R. § 2.203(b).

As required by 40 C.F.R. § 2.204(e)(6), you may assert a business confidentiality claim covering all or part of your response to these questions, as provided in 40 C.F.R. § 2.203(b). Information covered by such a claim will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in section 114(c) of the Act and 40 C.F.R. Part 2. The EPA will construe the failure to furnish a confidentiality claim with your comments as a waiver of that claim, and the information may be made available to the public without further notice to you.